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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

Soviet Fisheries Aid to Third World Countries

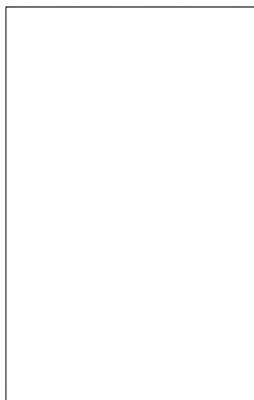
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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
July 1972

INTELLIGENCE MEMORANDUM

SOVIET FISHERIES AID TO THIRD WORLD COUNTRIES

Summary

1. As Soviet fishing vessels have expanded their areas of operation, Moscow has increased its fisheries aid to less developed riparian countries in these areas. Since 1960, the USSR has extended at least US \$123 million in aid for fishing ports, processing plants, ships, and technical services. Twenty countries, led by Chile, Ghana, Iraq, and Peru have received this aid, some \$50 million of it in 1970-71. Although fisheries aid is only a small part of the Soviet foreign aid program, its repayment in the form of services to the Soviet fishing fleet serves to extend the fleet's range and operating time. Soviet fisheries aid is likely to grow in the next few years, particularly in the waters off Latin America and in the Indian Ocean.

Discussion

Introduction

2. One part of Moscow's economic aid program benefiting the Soviet Union about as much as the recipient is fisheries assistance. With a growth during the 1960s from 1.8 million to 5.1 million gross register tons, the Soviet fishing fleet has expanded its operations to all the world's oceans (see Figure 1). This has strained Soviet support resources, however, forcing Moscow to seek more ports of call for servicing and resupply. Recipient countries commonly grant such services in repayment for fisheries assistance, thereby greatly increasing efficiency by permitting Soviet vessels as much as two additional months of fishing per season.

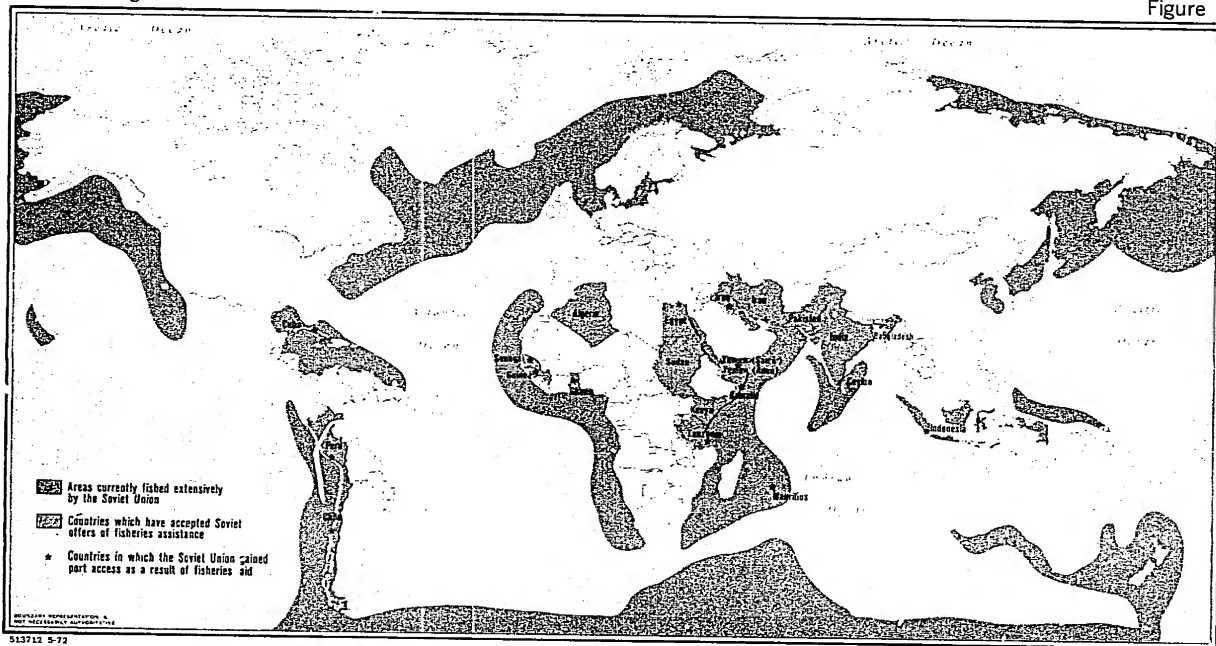
Note: This memorandum was prepared by the Office of Economic Research and coordinated within the Directorate of Intelligence.

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Soviet Fishing and Fisheries Aid

Figure 1



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Magnitude of Aid

3. Since 1960 the USSR has committed at least \$123 million for fisheries development to 20 less developed countries (LDCs) (see Table 1), although only about \$40 million has been drawn. Small amounts of such assistance have also been provided by the USSR to many other countries through commercial arrangements or by participating in projects sponsored by the UN's Food and Agriculture Organization.

Table 1

Soviet Aid Commitments
for Fisheries Development
in Less Developed Countries
1960-71

	<u>Million US \$</u>
Total	<u>123.1</u>
Peru	25.5
Chile	17.0
Ghana	11.2
Iraq	11.0
Yemen (San'a)	7.8
Egypt	7.0
Guinea	6.3
Iran	6.3
Yemen (Aden)	5.6
Mauritius	5.0
Senegal	4.7
Algeria	4.5
Somalia	4.2
Others <u>a/</u>	7.0

a. Including Ceylon, India, Indonesia, Kenya, Pakistan, Sudan, and Tanzania.

4. The first fisheries assistance commitment was made to Ghana in 1960, shortly after the Soviets began extensively exploiting the world's richest sardine stock off West Africa. Similar aid for Guinea and Senegal soon followed. During the mid-1960s, the program was expanded to include Algeria, Egypt, Sudan, and Yemen (San'a). By 1966, Soviet fisheries research vessels were operating around Latin America and throughout the Indian Ocean. Aid was offered to many countries in those areas, and agreements were concluded with a number of them.

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Character of Soviet Aid

5. Soviet aid usually covers technical assistance, fishing equipment, or trawlers, and often an entire fisheries complex (see the Appendix). The complex includes surveys of adjacent fish resources, trawlers, and construction of ports and other facilities, as well as technical assistance and training. About \$42 million has been extended for ports and facilities directly related to fisheries,* some \$52 million for fish processing and ship repair facilities, and more than \$29 million for trawlers (see Table 2). Almost all commitments include some type of processing facility. Agreements with Somalia, Sudan, Tanzania, and both Yemens included fish drying plants and canneries, usually with 1,500 metric tons of capacity. Peru, with one of the world's largest fishing fleets, will receive a plant designed to process 100,000 tons of fish products annually.

6. Agreement to develop a complex facility normally is preceded by a resources survey, which often includes study of fishing potentials in coastal areas by a Soviet research ship. Survey costs usually are absorbed by the USSR. Another team of Soviet specialists usually conducts feasibility studies for on-shore facilities.

7. The Chilean aid package, for example, involves constructing a large fishing complex and modernizing at least two other fishing ports. Some 25 Chileans will study navigation and fishing techniques in the USSR this year. The Soviets also recently completed the initial design for a Sea Resources and Naval Construction Institute in Chile. Earlier this year, at least three Soviet research ships conducted a three-month survey of Chilean fish resources. This is the second such survey; the first was in 1968 in connection with Moscow's original aid offer.

8. Moscow also has agreed to build or expand port facilities in eight other countries. This includes dredging ports and harbors, constructing wharves and repair facilities, and providing related equipment.

9. The USSR has agreed to provide 86 fishing vessels worth more than \$29 million to 11 countries (Table 3). While these vessels have included the 2,555-ton BMRT-class stern trawler (see Figure 2), they generally are smaller and older and of less efficient design. The Soviets also have provided some ships as gifts and on loan totaling around \$1 million.

* Many Soviet-aided ports obviously have multipurpose use, and some fishing ports can service other kinds of maritime vessels. This memorandum, however, is concerned only with aid projects that are solely or largely for fisheries.

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Table 2

Soviet Aid Extended for Fisheries Development
in Less Developed Countries
1960-71

				Million US \$
Country	Total	Port Facilities	Trawlers	Processing, Repair, and Miscellaneous Facilities
Total	123.1	41.6	29.3	52.2
Africa	38.8	2.5	17.5	18.8
Algeria	4.5	N.A.	4.5	--
Ghana	11.2	2.5	4.5	4.2
Guinea	6.3	--	2.5	3.8
Kenya	N.A.	--	--	N.A.
Mauritius	5.0	--	2.4	2.6
Senegal	4.7	--	3.6	1.1
Somalia	4.2	--	--	4.2
Sudan	2.0	--	--	2.0
Tanzania	0.9	--	--	0.9
Middle East	37.7	6.6	9.9	21.2
Egypt	7.0	--	2.8	4.2
Iran	6.3	1.1	3.0	2.2
Iraq	11.0	5.5	--	5.5
Yemen (Aden)	5.6	--	1.6	4.0
Yemen (San'a)	7.8	--	2.5	5.3
South and East Asia	4.1	N.A.	1.9	2.2
Ceylon	N.A.	N.A.	N.A.	--
India	2.2	N.A.	N.A.	2.2
Indonesia	0.3	--	0.3	N.A.
Pakistan	1.6	N.A.	1.6	--
Latin America	42.5	32.5	0	10.0
Chile	17.0	17.0	--	N.A.
Peru	25.5	15.5	--	10.0

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Table 3

Soviet Credit Sales of Fishing Vessels
to Less Developed Countries
1960-71

<u>Country</u>	<u>Value of Credit (Million US \$)</u>	<u>Number of Vessels</u>	
		<u>Purchased</u>	<u>Delivered</u>
Total	29.3	86	50
Algeria	4.5	18	N.A.
Egypt	2.8	10	10
Ghana	4.5	18	18
Guinea	2.5	4	4
Indonesia	0.3	N.A.	1
Iran	3.0	6	6
Mauritius	2.4	2	0
Pakistan	1.6	8	8
Senegal	3.6	10	3
Yemen (Aden)	1.6	3	0
Yemen (San'a)	2.5	7	N.A.

Terms of Aid

10. Nearly all Soviet fisheries assistance is provided under 12-year credits at 2.5% interest. Although repayments originally were made only in goods, Moscow increasingly accepts payment in services and access to port facilities. Bilateral commissions meet periodically to determine when repayment in services will be made and their value. Such services include the use of storage and repair facilities, food and fuel supplies, and shore privileges for Soviet crews. In some cases, Aeroflot is allowed to fly in relief crews.

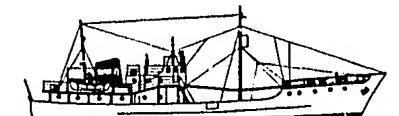
11. Mauritius, for example, will pay for Soviet-provided fishing vessels by covering bunkering and all other port costs for 50 Soviet fishing ships annually and by allowing Moscow to fly in relief crews as necessary. Egypt also allows Moscow to use Cairo's communications facilities for directing Soviet fishing activities in the Red Sea and the northwest part of the Indian Ocean.

12. Soviet fisheries assistance agreements have not required that the recipients provide assistance or facilities for Soviet naval ships. However, such agreements do increase the entree of the Soviet Union in the maritime nations of the world and could open the way for naval cooperation.

SECRET*Soviet Fishing Vessels Supplied to Third World Countries, by Class*

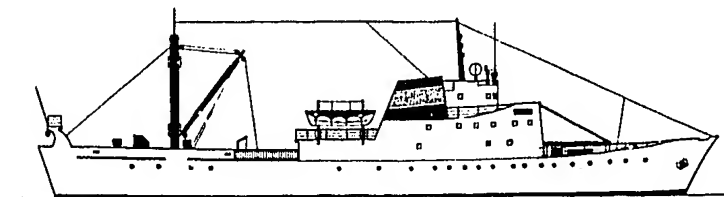
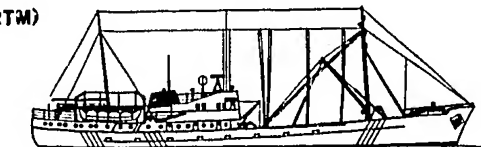
Figure 2

Vessel type	Seiner
Vessel class	RS-300
Length overall	95-98'
Deadweight	60-50 tons
Gross tonnage	Unknown
Endurance	14 days
No. in crew	15



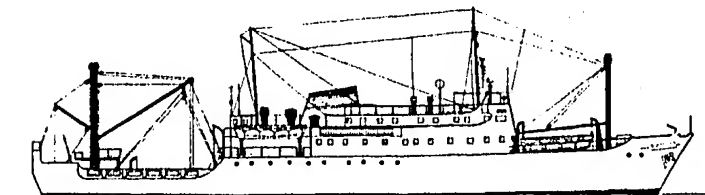
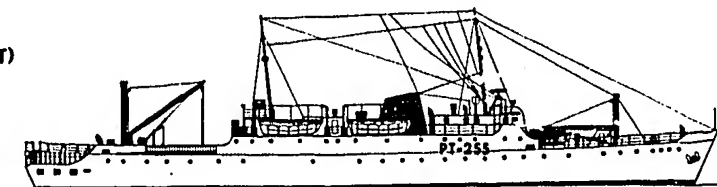
Vessel type	Tuna Long Liner
Length overall	142'
Deadweight	Unknown
Gross Tonnage	311 tons
Endurance	Unknown
No. in crew	Unknown

Vessel type	Side Trawler (SRTM)
Vessel class	Mayak
Length overall	178'
Deadweight	307-239 tons
Gross tonnage	929 tons
Endurance	33 days
No. in crew	30



Vessel type	Stern Trawler
Vessel class	Atlantik
Length overall	270'
Deadweight	Unknown
Gross tonnage	2,760 tons
Endurance	60 days
No. in crew	80

Vessel type	Stern Trawler (BMT)
Vessel class	Pushkin
Length overall	277'
Deadweight	1,230-1,242 tons
Gross tonnage	2,472-2,555 tons
Endurance	60-80 days
No. in crew	90-125



Vessel type	Stern Trawler
Vessel class	Tropik
Length overall	262'
Deadweight	793 tons
Gross tonnage	2,435 tons
Endurance	60 days
No. in crew	76

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13. All package aid agreements carry provisions for extensive services to the Soviet fishing fleet including use of repair, supply, and storage facilities. This enables Soviet trawlers and seiners to operate for longer periods before returning to their home ports. Catches are transferred to factory ships or stored in the aid recipient's facilities for eventual shipment to the USSR or its customers, and relief crews are flown in by plane. The Soviets now have such access in Chile, Peru, Senegal, Guinea, Algeria, and Egypt. Soviet vessels also are serviced in the Indian Ocean and the Arabian Sea ports of Ceylon, Iran, Iraq, Yemen (San'a), Yemen (Aden), Somalia, Tanzania, and Mauritius. Aid agreements with Chile, Mauritius, and Yemen (Aden) also provide for joint fishing operations. These may simply combine activities of the two fleets or may entail the use of mixed crews. Sardine, crab, and hake presently are the principal seafood caught on these operations, which until recently were conducted close to the recipients' shores.

14. Commercial arrangements recently have been made for servicing the Soviet fleet in countries where fisheries aid agreements do not exist. In the Madeira, Canary, and Azore Islands a joint Spanish-Soviet company services the 200-300 Soviet fishing vessels a year that call for repairs and supplies. Moscow recently concluded an agreement with Singapore for periodically overhauling whaling ships.

15. Some agreements also carry provisions for selling fish and fish products to the assisted country. Such sales are not entered in trade statistics. Although their magnitude is not known, they are already increasing. Beginning in the mid-1960s the Soviet Union contracted to provide Egypt with increased amounts of fish and fish products, much of which is caught on joint fishing expeditions. In Chile, Soviet ships also deliver fish for local markets. In 1972 they probably will supply 30% of Chile's total consumption.

Prospects

16. Soviet aid probably will continue to grow in the next few years as LDCs develop their fishing industries and as Moscow's fishing grounds expand further. Additional Latin American countries and some bordering the Indian Ocean are likely to be the next recipients. Feelers have been noted recently in India and Ecuador, and Bangladesh has accepted Soviet technical aid and ten fishing vessels for rehabilitating its fishing industry.

APPENDIX

Soviet Assistance to the Fishing Industries of Less Developed Countries

Country	Year of Commitment	Character of Assistance	Status as of April 1972
Algeria	1968	Included under a \$100 million line of credit extended in October 1963 were the following: (1) sale of 18 trawlers; (2) ports to be constructed after feasibility studies were undertaken; (3) the training of Algerians as fishery specialists; (4) oceanographic research assistance.	Fishing port at La Calle under construction; Soviet specialists studying general development of the industry.
Ceylon	1966	Under a credit of unknown magnitude, a private Ceylonese firm took delivery of a Soviet trawler that was to be operated for one year by a mixed Soviet-Ceylonese crew. The ship was originally offered as part of a fisheries agreement under negotiation in 1965.	Another trawler was delivered in 1967 and both are currently in operation.
	1971	A fisheries assistance agreement signed in August includes provisions for: (1) technical training and development of a training center in Ceylon; (2) a joint fisheries operation; (3) possible future sale or rental of Soviet fishing vessels.	An oceanographic research survey began in February 1972.
Chile	1968	Following surveys by Soviet fisheries experts, the USSR agreed to establish a fishing port and a king crab plant under \$55 million worth of credits extended in 1967.	
	1971	A \$17 million fisheries agreement concluded in September calls for the Soviets: (1) to build one or more fishing ports with complementary industrial installations; (2) to train Chilean fishermen on Soviet vessels; (3) to create a training center for middle level fishery technicians; (4) to rent Soviet fishing vessels.	Allocations have been made to construct a fishing port in the Bio-Bio area and for renovating at least two other ports. Three Soviet hake trawlers, rented to a Chilean firm, are landing their catch in Santiago. A research fleet conducted a survey between January and March of 1972.
Egypt	1964	The USSR agreed to provide an estimated \$7 million of assistance to Egypt's fishing industry. This was to include: (1) ten Soviet ships for deep sea fishing and research; (2) Soviet technical and research assistance; (3) training of Egyptian personnel; (4) Soviet assistance in developing a fishing center at Ras Benas on the Red Sea.	Several Soviet research-mission-conducted studies in the Red Sea and the Mediterranean; and, in 1971, joint Soviet-Egyptian fishery operations. The ten trawlers have been delivered.
	1967	In a mixed commission meeting it was decided to raise the number of Egyptian students receiving fisheries training in the USSR from 200 to 300.	

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Country	Year of Commitment	Character of Assistance	Status as of April 1972
Egypt (Continued)	1969	At the fifth mixed commission meeting, the USSR agreed to train an additional 110 Egyptian students in fishing subjects in the USSR.	
	1971	Under an agreement signed at the seventh mixed commission meeting the USSR agreed to provide the Egyptians 12,000 tons of fish annually, to undertake a joint fisheries survey, and to provide additional assistance to develop the potential of Lake Nasser.	
	1972	Under a 1972 protocol to the agreement the Soviets will continue to supply equipment and technical assistance. They will train 22 Egyptians in the USSR, construct a wharf on the Red Sea, and conduct another fisheries survey there.	About 400 Egyptians have received training in the USSR.
Ghana	1960	A fisheries agreement was concluded to construct a fishing complex at Tema, including port and drydock facilities, a cold storage and ice plant, a workshop to produce fishing gear, and several fish processing plants. Financing for the projects came under a \$40 million credit extended in 1960.	Work was suspended on the fishing complex after the 1966 coup. By that time about 100 Ghanaians had been trained as fisheries experts in the USSR. The drydock facilities at Tema were completed in 1967 without Soviet assistance. In May 1968, the USSR agreed to send a mission to Ghana to study resuming work on the projects but no agreements have been concluded.
	1960-61	Contracts signed under credits extended in 1960 and 1961 provided for delivery of 18 fishing vessels, valued at \$4.5 million.	All 18 vessels were delivered before the coup.
	1963-64	In a protocol to the 1960 agreement the USSR agreed: (1) to supply temporary facilities including a floating dock with ship repair, workshop, and refrigerator units to be used until the shore facilities were completed; (2) to train 100 Ghanaians in fishing techniques; (3) to send equipment for fishery schools to be set up in Ghana; (4) to undertake joint scientific investigations.	
Guinea	1960-61	The USSR allocated \$2.3 million of a \$35 million credit extended in 1959 for a cold storage plant at Conakry.	The plant was completed by mid-1963 and expanded in 1968. Technical training also was provided.
	1966	Under a 1962 credit of \$13 million the USSR allocated some \$4 million for developing Guinea's fishing industry, including ten fishing seiners, three years of technical training for 60 students in the USSR, and a slip and a dock for repair of fishing boats in the port of Conakry.	In 1966 the USSR delivered four of the seiners to be operated by Soviet and Guinean personnel, and Guinea, during 1969, rented two refrigerated trawlers while canceling the remaining six seiners. Thirty Guineans were accepted for training in the USSR during 1971-72.

Country	Year of Commitment	Character of Assistance	Status as of April 1972
India	1966	Included in a 1966 development credit was a provision for \$2.2 million worth of deep sea fishery assistance including the use of two trawlers and the construction of a shipyard for fishing vessels.	
Indonesia	1964	An agreement was signed to establish a fishing complex using part of a \$90 million credit extended in 1956. The complex was to include processing facilities and fishing trawlers.	One trawler was delivered in 1965.
Iran	1963	An agreement was signed for Soviet assistance in developing the Caspian Sea resources including equipment for a large fish hatchery, a marine resources survey, reclamation work and technical assistance. Financing arrangements are unknown.	The first section of the hatchery and the cold storage plant were completed in 1969. Port equipment has been arriving sporadically since 1968. Late in 1971, Iran received the six fishing vessels.
	1966	As part of a \$17 million trade credit, the USSR agreed to assist in port expansion and to construct a cold storage plant.	
	1969	Iran and the USSR concluded an agreement for the supply of a trawler and five seiners worth \$3 million.	
Iraq	1969	Under a \$5.5 million fisheries agreement the USSR agreed to construct processing plants and refrigeration facilities.	A fishery survey was conducted in 1970-71. Other projects were under survey in 1971.
	1970	A protocol to the fisheries agreement was signed; it included provisions for Soviet aid in developing marketing facilities and two technical training centers to be financed under a \$222 million credit extended earlier.	
	1972	Iraq announced a \$139 million fisheries development program to be implemented in three stages over the next eight years. As part of the program the USSR agreed to build a port in the northern sector of Um Qasr and cold storage plants. Iraq will rent two Soviet fishing boats, and 50 Iraqis will study in Soviet fishery institutes beginning in 1973. Presumably these projects will also be financed under the 1971 credit.	
Kenya	1964	The USSR agreed to construct various facilities including a fish cannery under a \$44 million credit.	No progress has been made.
Mauritius	1970	The USSR extended a \$5 million credit for the sale of two SRTM trawlers, marine equipment, and the services of Soviet fishery specialists.	No action has been taken on the trawlers. A shipment of marine equipment arrived in 1971 but it is unclear if this was the first consignment of the credit shipment. A survey was completed during 1971.

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Country	Year of Commitment	Character of Assistance	Status as of April 1972
Pakistan	1966	Pakistan purchased Soviet trawlers valued at \$1.8 million, of which \$1.5 million was covered by Soviet credits.	
	1968	An offer of Soviet assistance for fisheries development was made in 1967 under a 1966 credit, and a Pakistani team went to study Soviet fisheries. In 1968 a memorandum of understanding was signed and the USSR agreed to conduct oceanographic research, design a fishing port, and train Pakistani fishermen.	A team of four Soviet experts studied land facilities in 1968. In January 1969, three trawlers arrived to train fisheries personnel and to conduct a two-year fishing survey.
Peru	1971	Under a 1970 credit for \$26 million, the USSR agreed to establish a large fishing complex at Paita, including expansion of port facilities and construction of a repair yard and processing facilities.	A joint fishing operation and ichthyological survey were undertaken in 1971.
Senegal	1965	The USSR extended a \$5.7 million credit to establish a tuna fishing complex, including ten fishing vessels, a fish cannery, a workshop and repair facility, and cold storage plants.	Soviet experts submitted their report on the proposed project in 1966. Because the report failed to establish the feasibility of the plant, the cannery and cold storage facilities were canceled, reducing the credit to \$4.7 million. Three boats arrived in 1970. A fishery survey and training program were undertaken in 1971.
	1968	In a protocol to the 1965 agreement, the USSR agreed to undertake a study of deep-sea fish resources.	
Somalia	1963	In a protocol to a \$44 million credit of 1961, the USSR agreed to provide equipment valued at \$4.2 million for construction of a fish canning plant at Las Khoreh with an annual capacity of 6 million cans.	The plant was completed in 1970. Somali students are being trained as navigation officers and ships engineers in Soviet schools.
Sudan	1961	The USSR agreed to survey the fish potentials of the Red Sea and Nile River and establish a fish cannery at Jebel Aulia.	The surveys were completed in 1964. A feasibility report on the cannery was prepared in 1965, but no subsequent activity has been reported.
Tanzania	1966	The USSR, under a 1966 credit for \$20 million, agreed to construct a fish-drying plant at Kigoma and four cold storage plants and to provide \$900,000 of marine equipment.	The cold storage and fish-drying plants were canceled.
Yemen (Aden)	1969	The USSR and Yemen signed a fisheries agreement that included a \$5.6 million credit for research, marine equipment, construction of a training center, a fishing boat, and feasibility studies for canning and cold storage facilities. It also included grant aid of two completely equipped seiners.	Seiners, engines, and nets were delivered in 1970, and a training center was established. The cannery design was completed in 1971, and the Soviets will supply an oil and flour unit for it. Nearly 30 students are training in the USSR, and the two countries have jointly conducted fishing operations.

<u>Country</u>	<u>Year of Commitment</u>	<u>Character of Assistance</u>	<u>Status as of April 1972</u>
Yemen (San'a)	1964	Approximately \$7.8 million was allocated for fisheries and related projects, including two repair workshops, seven fishing boats, processing facilities, and technical training.	The workshop and a cold storage plant, part of the processing unit, are completed. In 1971, discussions were again held on constructing the processing plant and procuring the boats.

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